

HUBER+SUHNER 3Q15 Sales Down -5%

Sales for the first 9 months of 2015 were down 5% compared to the same period the previous year. HUBER+SUHNER reported sales, in Swiss francs, of CHF 534.5 million, versus CHF 560.8 In 2014.

Order intake decreased by 13% compared to the same period last year. For the first 9 months of 2015 HUBER+SUHNER reported an order intake of CHF531.1 million, compared to CHF 613.7 million in the period in 2014.

HUBER+SUHNER YTD Bookings and Billings 2015-2014

	2015	2014	Change %
Net sales			
Radio Frequency	157.4	175.3	-10%
Fiber Optics	210.5	184.5	14%
Low Frequency	166.6	201.1	-17%
Total	534.5	560.8	-5%
Order intake			
Radio Frequency	148.0	184.4	-20%
Fiber Optics	211.3	216.4	-2%
Low Frequency	171.7	212.8	-19%
Total	531.1	613.7	-13%

CHF million

HUBER+SUHNER reported that the strong Swiss franc and weak demand from the transportation market were the most important factors impacting order intake and net sales compared to 2014.

The Fiber Optics (FO) division continued to show good growth in net sales. Continued upgrading of mobile communication networks to the LTE/4G standard, with particularly strong development in India and North America, contributed to this growth. In addition, Data Centers and Fiber to the Home (FTTH) market segments also contributed to the growth in net sales.

European and Asian communications equipment manufacturers mainly responsible for lower net sales and order intake for the Radio Frequency (RF) division. On the other hand, industrial high-tech niches showed stable development for the RF division compared with the previous year.

Net sales and order intake in the Low Frequency (LF) division were significantly lower than previous year. The railway market remained sluggish, and various major projects in China and Europe continued to suffer delays. In addition, the currency impact was above average due to the high proportion of net sales in Europe. On the bright side, the automotive and industrial market segments showed positive developments.

Outlook for 2015

HUBER+SUHNER anticipates net sales of at least CHF 700 million for the whole year 2015. Compared to last year (CHF 749 million), this would mean a decrease by 6.5%.

Bishop & Associates' Comments

The results reported by HUBER+SUHNER show mixed results. Although net sales and order intake are both in negative territory, the comparison with 2014 was difficult as 2014 was a very good year for HUBER+SUHNER.

The outlook for the full year 2015 provided by HUBER+SUHNER of at least CHF 700 million would mean a decrease of 6.5% compared to last year (CHF 749 million). This points to a weaker 4Q15 compared to 4Q14 and this is in line with what we see in the rest of Europe where business conditions are deteriorating in the second half of 2015.

At the same time there are bright spots such as the performance of Data Centers, FTTH, and other fiber optic market segments, which is in line with what we hear from other manufacturers. European automotive markets have also performed well until now and this is also confirmed by HUBER+SUHNER.

Overall we expect 4Q15 to be weaker than 4Q14 for the European/Global connector industry and the outlook provided by HUBER+SUHNER appears to be in line with these expectations.